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Prospects for Agricultural Recovery

VI. Farm Mortgage Policy

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FOREWORD

A FARM mortgage policy is needed. With an outstanding farm mortgage debt twice that of the years 1910-1914 and with corporations owning over 8 percent of the farm land in Iowa, there is evidence of a problem that deserves attention. Since we talk of tariff policy, debate the pros and cons of monetary issues, and consider the desirability of a land-use program, it is reasonable that we face the question of farm mortgage policy, of planning a sounder method of financing farm ownership than has existed in the past.

Furthermore, it is altogether fitting that the lead in this direction should be taken by farmers and farm-minded people in Iowa because the farm mortgage debt of Iowa exceeds that of any other state, amounting, it is estimated, to one-ninth of the total in the United States.

Reduction in the mortgage debt of the state is set forth as a first consideration. In bringing about reduction, however, there are serious difficulties to be overcome, chief of which is the scaling of debts. Improvements in land appraisal, the second point discussed, is an essential part of any farm mortgage policy. The mistakes that have been made in past appraising are apparent from the present distribution of corporate land holdings. What is required is more emphasis on differences in soil productivity. In the third place, the practice of paying commissions on a percentage basis should be changed. Finally, as a safeguard against another depression, the use of first mortgages calling for variable payments on principal appears desirable as does also the use of second mortgages with interest and principal payments on a crop or price index basis.

Prospects for Agricultural Recovery

VI. Farm Mortgage Policy

DEBT REDUCTION IS DESIRABLE

Iowa land, according to a survey of 13 townships in December, 1933, is still carrying an excessive mortgage load.[1] Despite the efforts that have been and are being made to reduce indebtedness on farm land, the amount remaining is too high to allow for possible reverses in farm income. It is true that the long list of foreclosures and assignments of land to mortgage holders in the last 13 years has cut off over one-third of the mortgage debt that existed in 1920. In addition the refinancing by the Farm Credit Administration and by other lenders is accomplishing still further reduction. But even after all this liquidation, the mortgage debt still outstanding in Iowa is twice that of the period, 1910-14, a period when prices were considerably higher than those in March, 1934.

Part of this increase in debt, it should be pointed out, is the result of more acres being mortgaged than in the pre-war period, but the major portion of the increase represents a heavier mortgage load on individual farms. In the years 1910-14 about 36 percent of the farm land was mortgaged as compared with 45 percent at present. The average debt was $40 an acre in the earlier period and $66 an acre at the close of 1933. The extent to which farm land is burdened with debt in comparison with prices of farm products can be seen in fig. 1.

If it were possible to assume that the prices of farm products would never drop below their average in the years 1910-14 once they rise to that level, the present mortgage debt would not be a troublesome question. A supposition of this kind, however, is entirely unwarranted. It doesn't fit the facts of the situation. Changes in the price level are caused by a multitude of factors acting in a complex manner. If we admit a certain

[1] Statistics on the mortgage situation in the 13 townships are included in the appendix to this bulletin. The data were gathered by Prof. R. C. Bentley, Mr. John P. Himmel, Mr. Paul Crockett and the author. Miss Hazel Smith assisted in the preparation of the tables.

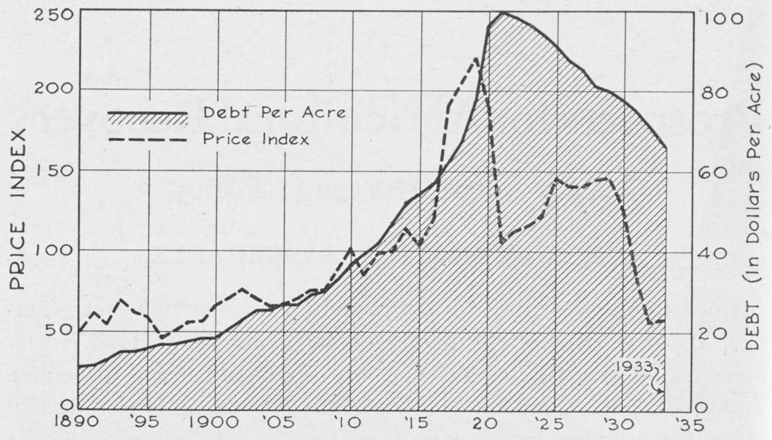

Fig. 1. Debt per acre of land mortgaged in Iowa and price index of farm products, 1890-1933. The gap between debt and prices at the close of 1933 when compared with the situation existing in the period 1910-1914 indicates the seriousness of present mortgage difficulties.

amount of control through a managed currency policy, this does not mean that there will be a complete absence of price fluctuation. Moreover, there is no assurance that any one policy of price stabilization will continue or succeed for a long time.

DEBT REDUCTION THROUGH REFINANCING

There are real obstacles to debt reduction through refinancing farm mortgages. Some mortgage holders are willing to await better times, taking a reduction in interest for the time being rather than writing down the principal. Others are merely adding the delinquent interest to the principal and extending the due date of the mortgage. Such parties are not hard pressed for cash and are not interested in having the borrowers refinance. In fact, many would rather have their money invested as it is than to have the cash. There are also the mortgages given to the Federal Lank Bank prior to the recent depression. Many of these mortgages are for amounts that are above a level corresponding to 1910-14 prices of farm products. The Federal Land Bank, however, is not able to reduce the principal of these mortgages although it has lowered the interest on them for a 5-year period.

It is clear, then, that debt reduction will not take place uniformly. Unfortunately this complicates the situation seriously because it means that those borrowers indebted to lenders who are anxious to refinance will receive the benefit of a reduction in principal while others, many of them just as deserving, will not receive this benefit because their creditors are not able or not interested in reducing the principal of the mortgages they hold.

On the other hand, the refinancing program of the Farm Credit Administration is making it possible for the borrower whose loan is due and whose lender is anxious for payment to get an offer from the Federal Lank Bank, an offer which may save the farm for the borrower. This is undoubtedly the case of greatest need, and the one that should have first consideration. With this federal program, however, there is the problem of bringing the total of old debts down to the amount allowed on new loans.

SCALING DEBTS[2]

The federal plan requires that the debts of the borrower be brought within 75 percent of the normal value of his property. Of all the operations connected with refinancing through the federal land bank system, that of scaling the owner's debts to the total of the first and second mortgage loans is the most difficult. There are two reasons, among others, to account for this difficulty. In the first place, there is the uncertainty concerning the future course of the price level. In the second place, many lenders do not fully understand the situation or else they do not feel free to scale their debts because of contract obligations that they in turn have with their creditors.

The prospect of a higher price level makes scaling difficult. Mortgage holders have the choice of waiting for higher prices or of accepting a certain cash amount for their mortgage in a refinancing transaction. If they hold for higher prices, there is the possibility that the land covered by their mortgage will produce enough revenue when prices rise to make good the

[2] This section and the one on foreclosure policy represent a revision of material contained in Bul. 311, "Refinancing Farm Mortgages in Iowa," now out of print.

principal of their mortgage as well as the interest. There is the element of uncertainty, however, as to when and how much prices will rise.

On the other hand, mortgage holders by accepting cash for their mortgages at this time have an advantage in that money at present has a high purchasing power. Commodity prices are much lower than they were when the original loan was made on the land. If, for example, a mortgage holder sold 4,000 bushels of corn, 5 years ago for 75 cents a bushel or $3,000, and loaned the proceeds on a farm mortgage, and if today he is offered $2,400 cash for his mortgage, he can accept the cash and buy more than 4,000 bushels of corn. This point, involving purchasing power, is an important one; it is frequently lost sight of by creditors.

Position of the Creditors

The chief creditors, insurance companies, are themselves obligated to their policy holders according to contracts calling for the payment of definite sums of money. Their view, naturally, is that a compromise will mean a loss of principal, while a policy of watchful waiting, if prices go up, will return their investment to a sound basis.

Another group, closed banks and joint stock land banks, is in a more logical position to scale than the insurance companies. In general, those individuals having claims against banks in liquidation are looking forward to the sale of the assets and the distribution of a cash dividend, which in many cases is sorely needed. Similarly, since Congress has provided for the eventual liquidation of the joint stock land banks, a judicious disposition of the assets of these agencies is in order.

As for private investors who hold mortgages, each mortgage is a case by itself. If the investor is hard pressed for cash, the refinancing may be attractive. If he can be shown the purchasing power advantages that cash possesses, the deal may be successful. If these factors do not count, however, the investor may prefer to hold his mortgage.

Reasonable Offer Plan

The refinancing program should provide a reasonable offer to each mortgage holder. It should not mislead the farmer to expect all mortgage holders to accept the terms offered. It is up to the mortgage holder to decide whether or not to accept. If he does not he may have a long drawn-out and expensive foreclosure case to put through before obtaining possession of the land or he may have a long time to wait before prices rise sufficiently to put his mortgage in good standing. The choice, however, is up to him.

Before the creditor decides, he should have a clear-cut statement of the borrower's case. The borrower himself is frequently unable to give such a statement. What is needed, therefore, in each community is one or more capable men who are willing to help borrowers work out equitable settlements with their creditors. In some communities, valuable service along this line has been performed during the past year.

Recently farm debt adjustment committees have been appointed by the Governor of Iowa in every county of the state. Use should be made of these county adjustment committees wherever possible. These committees have as their function the hearing of cases where the farmer is having difficulty in refinancing his debts. The committee is charged with the duty of suggesting equitable settlements, fair to both the debtor and his creditors. It should be noted, however, that the members of these committees are serving without pay and that the committee as such has no legal powers.[3]

DEBT REDUCTION THROUGH FORECLOSURES

Practically all the debt reduction taking place in 1933 was accomplished through foreclosure of mortgages and deeding of land to mortgage holders. Even with the moratorium law on mortgage foreclosures in effect after Feb. 8, 1933, there were more farm mortgage foreclosures in Iowa in 1933 than in any other year in the state's history excepting 1932.[4] In the 11

[3] See note on refinancing in Appendix to this bulletin.
[4] For additional material on foreclosures, see Appendix to this bulletin, also Cir. 147, "Farm Mortgage Foreclosures," Iowa Agr. Exp. Sta., Ames, Iowa, March, 1933.

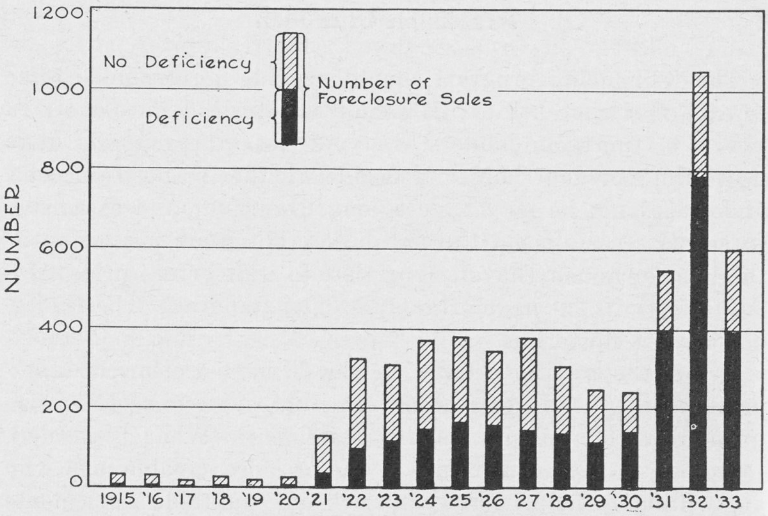

Fig. 2. Number of farm mortgage foreclosure sales in 16 representative counties of Iowa and proportion of sales in which a deficiency judgment was obtained against the owner of the land. Tables 5, 6, 7 and 8 in the Appendix contain detailed information on foreclosures in the 16 counties.

months prior to Dec. 1, 1933, there were 600 foreclosures in 16 representative counties as indicated in fig. 2. On the basis of the 16 counties an estimated total of 3,700 foreclosures occurred in the state during the first 11 months of 1933. In acreage this means that approximately 2 percent of all farm land was involved in foreclosures in this period. In 1932 information from the same 16 counties shows 3 percent of all farm land in foreclosure.

Although foreclosures reduce the debt, they do not solve the problem by any means. Especially is this true in recent years with first mortgage lending concerns, such as insurance companies and banks, being the parties who obtain the land following foreclosure. These corporations are not allowed to make the operation of farms a regular part of their business. Hence it is expected that these companies will sell the land back to farmers and others with the necessary funds to buy as soon as times improve. When this happens it will be likely that in the majority of cases the land will have to be purchased with mortgage credit. Part, at least, of the debt disappearing through foreclosure, therefore, will undoubtedly reappear with the sale of this land by the corporations that now or soon will own it.

FORECLOSURE POLICY

Position of the Creditor

Foreclosure is not an easy way out for the creditor. Mortgages provide for foreclosure in case of default, and the courts provide for the sale of the farm to the highest bidder to satisfy the claims of the mortgage holder. This is the usual procedure. The last year, however, has witnessed wholesale defaults on interest by farmers, and at times inability of banks to pay depositors, and of insurance companies to make cash loans on policies. Here was a situation not contemplated at the time the contracts were entered into. As a result of this situation, legislation has been passed by the State Legislature providing for relief to debtors whose property is involved in foreclosure. In effect, this amounts to an extension of time so that in the event prices go up the debtor will be able to retain ownership of his property.

Lenders are finding that ownership of farms is not profitable. To take the farm by the expensive process of foreclosure, to go to the expense of hiring a man to visit the farm at intervals, to rent it, to collect the rent, and to supervise and pay for needed improvements and repairs is a losing proposition in most cases. Furthermore, the farm eventually is to be sold, because corporate lending agencies, for the most part, are required to dispose of their land holdings within a certain number of years or reasonable period of time.

Position of the Borrower

In the interest of the farmer, also, foreclosure should be avoided if possible because if prices go up he may regain the equity which he lost in the last few years. It is tragic to contemplate the plight of those who by means of one sacrifice after another have paid taxes and most of their interest all through the depression only to lose their farms as the depression passes.

Those farmers who bought land at high prices during the boom years, 1919-1920, and borrowed large amounts on mortgages to pay for it, have long since lost their farms. Foreclosures from 1921 to 1930 involved approximately 9 percent of the land in the state. The land owners in these cases for the most part took a chance in buying high priced land, and lost. But today, among the farmers in distress are those who paid down substantial sums in the purchase of their farms. If the 1926 price level returns they will have an equity in their land and no difficulty in meeting interest and principal payments. It is for the benefit of such farm owners as these that the refinancing program and measures postponing foreclosure judgments have been designed.

BETTER APPRAISALS

Not enough distinction has been made in the past in appraising high, medium and low-value land. The tendency has been for appraisals to approach too close to a common average, that is, the spread between appraised value of above and below average land has not been wide enough. Variation in yields of crops and income available for taxes and interest has not been accurately reflected by appraisals. The result has been larger losses by lending companies in the low-land-value areas. Evidence on this point has been presented in previous bulletins.[5] Additional material on this point has been obtained that bears out the same conclusion, i.e. heavy losses in low-land-value areas. Figures 3 and 4 (pages 144 and 145) present a summary of the data brought together on this subject. The percentage of all farm land owned by corporations in each township in the state has been determined, and the map in fig. 3 represents the results of this survey. Information on the percentage for each county and the date on which the information was secured is included in the appendix to this bulletin.

A comparison of figs. 3 and 4 indicates the existence of an inverse relationship between land values and percentage of land

[5] See "Corporate-Owned Land in Iowa," Bul. 307, Iowa Agr. Exp. Sta., September, 1933. This subject is also considered in Bul. 311, "Refinancing Farm Mortgages in Iowa," Iowa Agr. Exp. Sta., December, 1933, but this bulletin is now out of print.

owned by corporations. In general, as previously stated, high land values are associated with a small amount of land owned by corporations. And low land values are associated with a high percentage of corporate-owned land. This is the result of corporations overlending on low-value land.

A notable exception to the usual situation will be noted in parts of eastern Iowa. Here low land values in certain counties are correlated with a small amount of land owned by corporations. The reason why corporations have escaped large holdings in these areas is simply because they did not lend extensively in this region. Some of this land is rough in topography and corporations, for the most part, particularly insurance companies, did not make loans on it. Furthermore, this area of the state was better supplied with local investment funds than other sections. The unwillingness of mortgage agencies, however, to lend here was the principal reason for the small land holdings by corporations.

Other exceptions to the general rule will be noted, particularly through central Iowa. Here an excess of speculation in farm land in the years 1919-20 and an unusually large number of corporation loans are the cause of the extensive holdings by corporations. For the most part, however, it is clear that the low-land-value areas are the areas with large corporate land holdings, and, conversely, the areas of high values are those with the small holdings by corporations.

On the experience gained from such mistakes in appraising as have been pointed out a better appraisal system can be built. The special task of appraisers in this connection is to make sure that all new loans are in accord with the producing ability of the land. Corporations holding land in Iowa are going to have many farms to sell to farmers and others as soon as these individuals obtain the needed cash to make the down payment. With an average of 8 percent of all farm land held by corporations in the fall of 1933, it is likely that 10 percent or 3,200,000 acres are, or soon will be, held by corporations. This represents about 20,000 farms. In getting a large share of these farms back in the hands of operating farmers it is important that the debt assumed by the new farm owners be proportional to the producing power of these farms.

TEMPORARY vs. PERMANENT FACTORS

The examination of individual farms might be improved by dividing it into the appraisal of the temporary and permanent factors. Of the temporary or changeable factors, the more important are, the ability and financial condition of the owner-operator and the likelihood of his continuing as operator and owner; buildings, erosion, artificial drainage, weeds, and price trends of particular commodities. Among the permanent factors are texture, structure, depth and acidity of the soil and subsoil, potential producing power of the soil, topography, natural drainage, climate and distance to market.

Because the permanent factors are of outstanding importance with loans of long duration, it would seem not only possible but desirable that a systematic appraisal of these factors should be made for individual farms. A report of this kind made by a properly trained person might then assume a position along with the abstract of title. It might well become common for prospective purchasers of land to ask for a certificate of soil and other resources as well as for an abstract of title.

It is evident from what has been said that a better appraisal system means more use being made not only of past lending experience but also of crop acreage and yield figures, soil surveys, and data on drainage and erosion. If this development occurs, appraising will tend to become more scientific in character and provide more opportunities for specialized training for men interested in becoming appraisers.

COMMISSIONS

A practice common with farm mortgage agencies, including the federal land banks, is that of allowing a commission to the local agent or association in proportion to the size of the loan negotiated. This has, in effect, resulted in giving agents a bonus on large loans and almost nothing on small loans. It has had the unfortunate tendency of placing a premium on the lending of a maximum amount in each case irrespective of the security offered. Furthermore, the percentage commission method penalizes the agent in an area of low land values because if he keeps his loan recommendations in line with values, his commissions will be proportionately smaller than those of the agent operating in the high-land-value area. This is not equitable because the expense in making loans in the two areas may be practically the same. In order to keep land properly graded, commissions should be arranged on some other basis than that of a percentage of the amount loaned. Either a flat commission for each loan or one proportional to the expense of negotiation would be preferable.

VARIABLE PAYMENTS ON PRINCIPAL

An important step in mortgage financing is regulation of payments on principal of first mortgages. In the past, it was common to have all the principal of a mortgage come due and payable on a certain date. A term of 5 years was common in Iowa. At the end of the 5-year period the borrower hoped to be able to refinance his loan, possibly at a lower rate of interest. The federal land bank system inaugurated a new method, providing loans which ran for a period of 20 to 40 years. These loans called for a fixed payment each year that retired the entire principal during the term of the loan. This was a decided improvement over the short time loans that often cost the borrower a renewal or refinancing charge each time they came due.

A weakness of the federal loan and all loans based on the same idea is that they do not provide any remedy except foreclosure in case of poor crop yields or extremely low prices. It is embarrassing to both lender and borrower to face a situation where the income from the farm is insufficient to pay the installments due on the first mortgage. To those farmers anxious and able to step from tenancy into ownership the fear of such situations often is a deciding factor against purchasing land.

Some method of principal payment which will fit farm conditions is needed. It is possible that a plan can be worked out which will call for variable payments on principal, depending upon the income from the farm. In times of high income in the past some farmers have found it impossible to pay off more than a fixed amount on their mortgage, whereas in times of

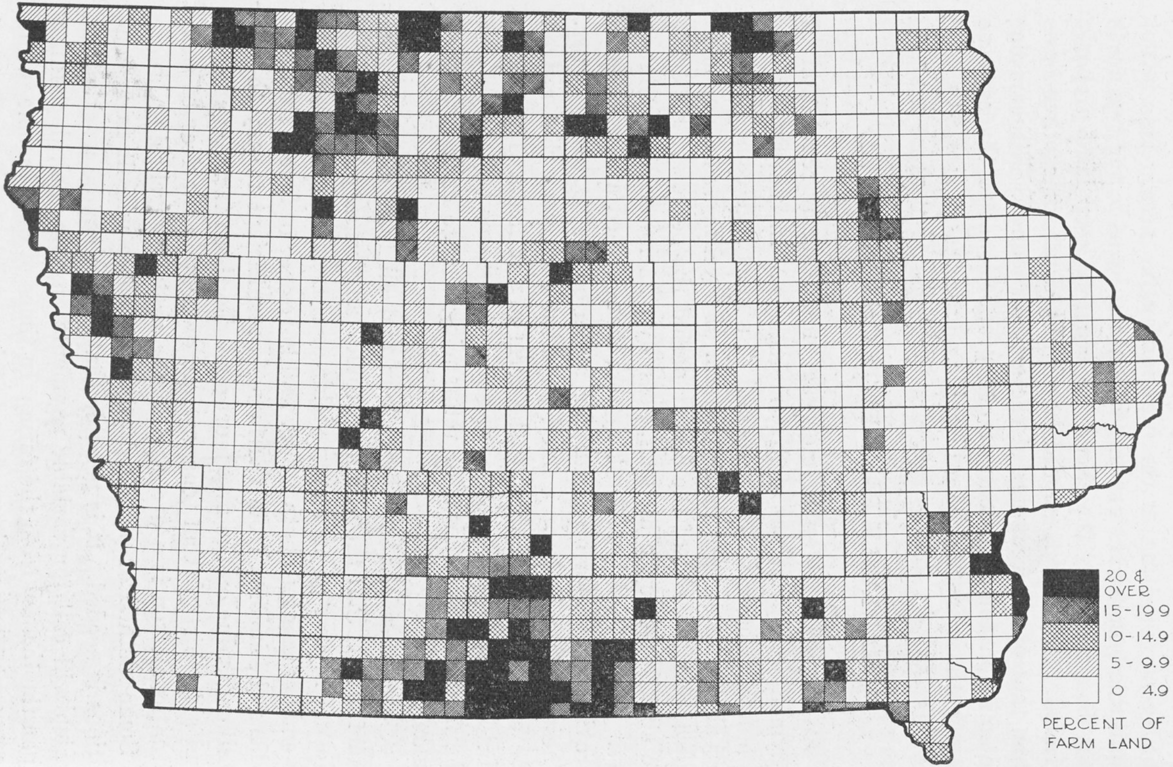

Fig. 3. Corporate-owned land. Percentage of land owned by corporations in 1933 and 1934, by townships. County totals will be found in table 9 in the Appendix to this bulletin.

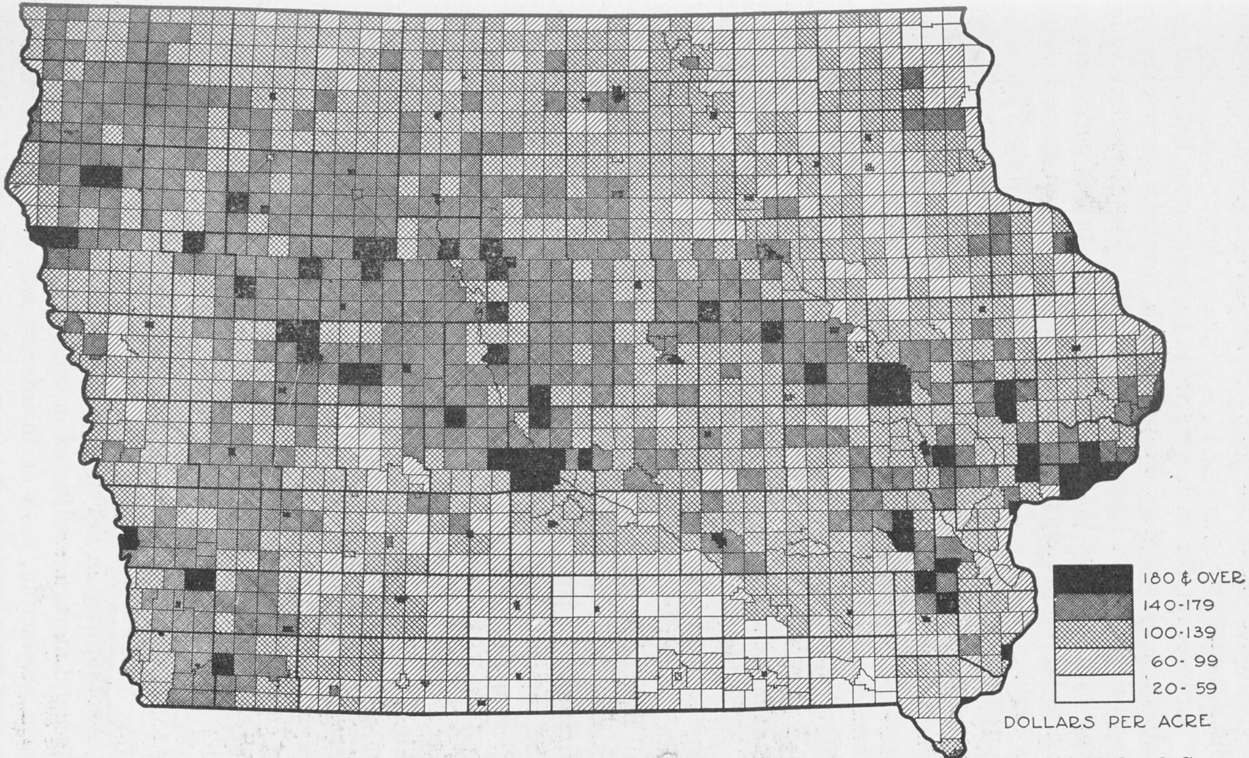

Fig. 4. Land values. Value per acre of land and buildings, by townships. Data from the 1930 Federal Census.

crop failure or low incomes, the principal payments required did not change.

A precedent for such a variable payment plan has been established by congress in postponing principal payments on federal land bank loans for a 5-year period. It is directly in line with this idea that provision be made to ask borrowers to make larger principal payments in years when farm income is high.

If the advantages of the plan are admitted there are yet disadvantages in the form of method for carrying out the plan. Farm income figures would have to be determined by states or type of farming areas and arrangements made for individual farmers to claim exemptions from a certain scale of principal payments because of low crop yields or other losses. Although the plan would not be simple in execution it would eliminate the fear of foreclosure because of low prices or adverse weather.

Variable principal payments do not mean variable interest payments. Under the present system of financial organization, bank deposits, insurance policies and government bonds are all figured in fixed sums of principal and interest. As long as this method of using absolute dollar values exists it will be difficult to introduce into the mortgage field, loans on which the interest fluctuates from year to year with farm income. First mortgage loans, therefore, made by insurance companies and the federal land banks will probably continue to call for fixed interest payments. The eventual solution of the problem might well be conservative first mortgages with variable principal payments. These mortgages, although calling for fixed interest payments, would not be so large as to require interest payments that could not be met in poor years. If such a policy of conservative first mortgages is followed then it will be necessary to put more emphasis on second mortgage financing.

INCOME MORTGAGES FOR SECOND MORTGAGES

Another step in developing an intelligent mortgage policy is a second mortgage adjusted in some manner to farm income or farm production, both as to interest and principal payments. In regions where farming is carried on with considerable risk from crop failure, the use of crop payments in the purchase of land is common. The application of this idea to second mortgages would seem desirable in Iowa.

This is a desirable expedient because in times of stress the borrower finds it difficult to pay interest on the first mortgage and taxes on the land, not to mention interest on the second mortgage. To meet such situations an arrangement should be made for the borrower to turn over to the holder of the second mortgage a small portion of the crop or a payment based on farm income. In times of high prices this would mean a substantial payment on the principal as well as interest. In times of low prices the return from the crop would amount to only a very low rate of interest.

To the holder of the second mortgage this should be an attractive proposition because it would keep the borrower on the land during hard times and avoid the necessity of the lender resorting to foreclosure to obtain title to the land. To the farmer this basis would also be advantageous, for it would lessen the risk of loss in poor-crop or low-price years.[6]

The essential feature of both the first and second mortgages suggested is variable payment provisions. This is necessary because farm income fluctuates. Until farm ownership is financed in a manner which allows for such fluctuations, farmers who aspire to ownership will face an unusually large amount of risk, more risk than they should be required to assume. To load land up with fixed charges in the face of potentially large price fluctuations is clearly unwise. But if farmers are to have homes or businesses of their own, there is no escaping heavy fixed charges unless some variable payment features are provided.

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[6] Work on variable payment plans for use in buying and paying for farm land is now in progress at the Iowa Agr. Exp. Sta.

APPENDIX

A. NOTE ON REFINANCING FARM MORTGAGES

Those farm owners anxious to refinance their present indebtedness should take their case to the county farm debt adjustment committee and see the secretary-treasurer of the local National Farm Loan Association or write to the Federal Land Bank, Omaha, Neb., for information. Changes in the loan policy of the Federal Land Bank can be ascertained in this way. On Jan. 31, 1934, for example, Congress increased the limit on Land Bank Commissioner loans (second mortgage loans) from $5,000 to $7,500. This is of particular significance to owners of large farms unable to refinance because the $5,000 limit did not allow them a sufficient amount on a second mortgage loan.

Federal Appraisal Policy[7]

Before the Federal Land Bank may make a loan, either through a national farm loan association or direct, the farm offered as security must be appraised by a land bank appraiser appointed by the Land Bank Commissioner. The basis of appraisals in all cases is the normal value of the land for agricultural purposes. Average prices of farm commodities during 5 years from 1909 to 1914 are used as a basis for determining normal values, allowance being made, of course, for increased taxes and other costs and for any changes in the economic position of the commodities produced. An appraisal of the farm and any personal property offered as security for a Lank Bank Commissioner's loan may be made at the same time that an appraisal is made for a land bank loan.

Federal Conciliation Commissioners

Federal Conciliation Commissioners have been appointed in some areas by the Bankruptcy Courts. These commissioners are appointed upon the petition of at least 15 farmers to aid them in obtaining a composition of their debts or an extension of time in which to pay their obligations. Provision for these

[7] From Circular No. 5, Farm Credit Administration, September, 1933.

commissioners was made by an Act of Congress approved March 3, 1933.

State Foreclosure Act

By reason of an Act passed by the state legislature in February, 1933, owners of farm land are entitled to certain rights in case of mortgage foreclosure. In general, owners are entitled to petition to have foreclosure postponed until March 1, 1935. If this continuation is granted by the court, provision will be made for the owners to pay the court or its representative an amount equivalent to rent for the use of the farm during the period until March 1, 1935.

B. STATISTICS

The following tables represent a survey bringing up to date the farm mortgage situation in 13 townships located in six representative counties, the foreclosure situation in 16 widely scattered counties and the ownership of land by corporations in every county of the state. Previous bulletins containing statistical series here brought up to date are Circular 142, "Iowa Farm Mortgage Situation" (out of print), Circular 147, "Farm Mortgage Foreclosures," and Bulletin 307, "Corporate-Owned Land in Iowa," all published by the Iowa Agricultural Experiment Station, Ames, Iowa.

TABLE 1. ESTIMATED MORTGAGE HOLDINGS OF PRINCIPAL LENDERS IN IOWA. MARCH, 1934.

Lenders	Amount	Percentage of total
Insurance companies	$425,000,000	45
Private investors	215,000,000	22
Deposit banks	130,000,000	14
Federal Land Bank	130,000,000	14
Joint stock land banks	50,000,000	5
	950,000,000	100

TABLE 2. FARM MORTGAGE DEBT SITUATION IN IOWA, 1915-1933. ESTIMATES BASED ON DATA FROM 13 TOWNSHIPS.

Year, as of Dec. 31	Total farm mortgage debt	Percentage of land mortgaged	Debt per acre of land mortgaged
1915	$ 685,114,000	38%	$54
1916	760,961,000	39	57
1917	865,190,000	42	62
1918	961,071,000	42	67
1919	1,069,541,000	42	77
1920	1,499,577,000	47	96
1921	1,609,744,000	48	100
1922	1,597,390,000	49	98
1923	1,618,447,000	50	96
1924	1,604,907,000	51	94
1925	1,531,192,000	50	91
1926	1,470,511,000	50	87
1927	1,394,246,000	49	85
1928	1,348,480,000	49	81
1929	1,310,631,000	49	80
1930	1,265,456,000	48	78
1931	1,197,074,000	48	75
1932*	1,082,882,000	45	71
1933**	997,550,000	45	66

*Oct. 15.
**Dec. 1.

TABLE 3. FIRST MORTGAGE AND JUNIOR MORTGAGE DEBT IN 13 TOWNSHIPS, 1915-1933.*

Year	Total debt	Percentage first mortgage	Percentage junior mortgage	Total
1915	$ 6,172,200	88.7%	11.3%	100%
1916	6,855,500	87.2	12.8	100
1917	7,794,500	87.1	12.9	100
1918	8,658,300	87.0	13.0	100
1919	9,635,500	84.5	15.5	100
1920	13,509,700	82.5	17.5	100
1921	14,502,200	81.3	18.7	100
1922	14,390,900	82.5	17.5	100
1923	14,580,600	83.7	16.3	100
1924	14,458,624	84.1	15.9	100
1925	13,794,524	86.3	13.7	100
1926	13,247,845	87.0	13.0	100
1927	12,560,771	88.3	11.7	100
1928	12,148,470	89.4	10.6	100
1929	11,807,488	90.7	9.3	100
1930	11,400,508	90.9	9.1	100
1931	10,784,453	91.5	8.5	100
1932**	9,755,696	92.1	7.9	100
1933***	8,986,940	92.8	7.2	100

*The 13 townships are located in the following counties: Cedar, Cherokee, Fayette, Jefferson, Montgomery and Story.
**Oct. 15.
***Dec. 1.

TABLE 4. REASONS FOR PAYMENT AND CANCELLATION OF FARM MORTGAGE LOANS IN 13 TOWNSHIPS, 1915-1933.

Year	Renewals (percent)	Sale of land (percent)	Forced sales (percent)	Miscellaneous (percent)	Total (percent)
1915	67.2	11.4	.3	21.1	100
1920	40.9	34.4	——	24.7	100
1925	57.0	12.6	13.7	16.7	100
1930	47.8	6.2	22.7	23.3	100
1931	38.8	2.1	39.4	19.7	100
1932*	17.5	5.1	66.5	10.9	100
1933**	24.9	3.1	62.3	9.7	100

*Oct. 15.
**Dec. 1.

TABLE 5. NUMBER OF FORECLOSURES BY LENDERS IN 16 COUNTIES, 1915-1933

Year	Private investors	Insurance companies	Deposit banks	Mortgage companies	Federal Land Bank	Joint stock land banks	Misc.	Total
1915	27		5	1				33
1916	31							31
1917	10		2	4			2	18
1918	20	3	4	1				28
1919	10		2	3			3	18
1920	17	1	5	1			1	25
1921	85	6	29	8			2	130
1922	222	8	61	23		1	7	322
1923	182	12	79	26		1	7	307
1924	216	22	89	37		4	3	371
1925	212	34	83	37	4	7	6	383
1926	205	37	68	23	2	7	4	346
1927	203	70	72	19	2	9	3	378
1928	152	61	64	12	5	11	2	307
1929	101	68	46	9	3	18	3	248
1930	100	66	46	9	1	11	10	243
1931	172	212	74	16	13	56	8	551
1932	267	485	107	16	70	96	10	1,051
1933*	125	308	49	8	32	73	5	600
Total	2,357	1,393	885	253	132	294	76	5,390

*To Dec. 1, 1933.

TABLE 6. NUMBER OF DEFICIENCY JUDGMENTS IN FARM MORTGAGE FORECLOSURE SALES BY LENDERS—16 COUNTIES, 1915-1933.

Year	Private investors	Insurance companies	Deposit banks	Mortgage companies	Federal Land Bank	Joint stock land banks	Misc.	Total
1915	3		4	1				8
1916	5							5
1917	1		1	1				3
1918	3	1	1					5
1919								
1920	3			1				4
1921	27		6	1				34
1922	76	1	11	8				96
1923	83	2	21	6			3	115
1924	92	6	30	13		2	2	145
1925	98	14	25	19	2	6	1	165
1926	91	12	37	7	2	5	1	155
1927	81	19	30	6	1	8	1	146
1928	64	13	38	8	5	11		139
1929	45	22	23	8	3	13	2	116
1930	58	30	29	7	1	9	8	142
1931	108	139	58	14	13	54	5	391
1932	183	365	75	12	62	84	6	787
1933*	68	178	35	8	34	63	1	387
Total	1,089	802	424	120	123	255	30	2,843

*To Dec. 1, 1933.

TABLE 7. ACREAGE INVOLVED IN FARM MORTGAGE FORECLOSURE IN 16 COUNTIES, 1915-1933.*

Year	Boone	Cedar	Cherokee	Clarke	Fayette	Guthrie	Grundy	Hancock	Harrison	Jefferson	Linn	Lyon	Mahaska	Montgomery	Pocahontas	Story	Total	Per-cent of total land in farms
1915	77	240	718	960	370	88	—	—	503	238	397	32	106	240	—	120	4,089	.07
1916	246	80	72	974	382	80	—	200	130	317	398	—	346	—	275		3,500	.06
17	—	120	—	10	400	—	—	400	502	—	235	—	387	—	—	60	2,114	.04
18	10	80	—	520	160	359	—	640	808	290	747	—	125	—	—	8	3,747	.07
19	40	—	320	120	—	—	—	—	335	102	220	134	335	—	252	118	1,976	.04
20	292	—	160	—	40	85	—	320	902	95	260	—	262	—	—	174	2,590	.05
1921	1,861	405	520	1,800	744	2,589	240	1,630	3,373	645	1,892	134	1,334	959	439	781	19,346	.35
22	2,951	1,570	2,962	5,110	1,440	7,013	—	3,118	4,222	1,714	3,333	2,635	3,274	1,690	1,995	2,266	45,293	.81
23	2,250	1,400	2,997	4,459	2,222	5,876	1,034	4,543	3,315	1,912	3,760	1,108	2,690	1,138	2,026	3,330	44,060	.79
24	3,696	4,822	2,374	2,971	4,893	5,190	826	4,059	10,834	830	2,618	1,773	3,143	2,335	3,519	2,880	56,763	1.02
25	3,299	717	1,560	3,452	2,307	4,770	1,480	3,725	7,091	3,146	2,942	3,049	3,934	914	4,924	6,046	53,356	.96
1926	1,904	520	2,354	4,062	4,826	4,723	2,041	4,633	5,600	1,839	1,476	1,574	3,418	1,091	5,354	4,895	50,310	.90
27	1,913	2,324	2,935	2,910	4,264	3,676	1,041	8,336	5,223	1,291	1,796	2,755	2,937	1,216	6,088	5,736	54,441	.97
28	1,575	1,448	920	3,615	4,253	3,574	2,139	5,443	5,366	2,899	2,921	1,700	3,053	954	4,140	3,947	47,947	.86
29	1,020	1,959	1,206	4,327	5,656	2,730	200	3,541	3,080	1,986	4,380	520	2,686	520	2,526	1,088	37,425	.67
30	823	977	1,567	3,977	4,172	2,883	428	3,608	1,751	2,855	2,491	745	1,426	910	2,622	1,494	32,729	.59
1931	1,433	2,735	4,722	18,625	5,936	8,357	1,024	6,819	4,355	4,220	2,896	8,000	5,353	3,046	4,773	4,162	86,456	1.55
32	5,531	7,550	10,703	15,892	12,587	12,493	4,818	11,227	13,089	4,621	8,112	12,223	8,625	9,781	12,203	12,989	162,444	2.91
33**	5,399	3,133	3,230	5,841	3,021	9,433	4,253	6,178	8,877	2,681	3,577	10,522	5,459	5,971	7,231	7,935	92,741	1.66

*Where a farm was involved in more than one foreclosure in the same year, the acreage was counted only once.
**To Dec. 1, 1933.

TABLE 8. JUDGMENTS IN FARM MORTGAGE FORECLOSURE BY LENDERS IN 16 COUNTIES, 1915-33.

Year	Private investors	Insurance companies	Deposit banks	Mortgage companies	Federal Land Bank	Joint stock land banks	Miscellaneous	Total
1915	$ 115,716	$	$ 21,175	$ 5,298	$	$	$	$ 142,189
1916	162,987							162,987
17	57,771		2,140	20,822			455	81,188
18	103,138	17,584	16,218	6,550				143,490
19	27,524		5,999	6,235			1,307	41,065
20	58,964	5,748	9,880	21,355			2,900	98,847
1921	1,007,302	60,982	286,702	65,526			2,275	1,422,787
22	2,885,196	89,529	438,805	136,559		9,627	41,977	3,601,693
23	2,345,884	133,908	809,958	182,374		16,204	92,745	3,581,073
24	2,949,650	280,945	938,864	402,050		59,176	40,599	4,671,284
25	2,426,697	501,319	938,225	232,090	43,117	76,631	72,095	4,290,174
1926	2,159,541	600,746	607,219	165,915	12,399	82,860	23,367	3,652,047
27	2,143,074	1,001,151	677,986	107,041	9,061	150,251	45,881	4,134,445
28	1,671,561	970,604	634,318	72,973	36,389	111,710	19,127	3,516,682
29	1,116,563	980,252	330,653	122,127	31,479	269,545	21,615	2,872,234
30	767,300	984,802	386,459	79,795	6,375	129,427	85,699	2,439,857
1931	1,504,880	3,152,324	781,961	292,080	131,612	752,786	62,050	6,677,693
32	2,157,187	7,292,709	777,327	158,277	685,703	1,273,253	75,541	12,419,997
33*	994,069	4,456,301	631,185	108,169	381,272	1,032,452	31,096	7,634,544
Total	$24,655,004	$20,528,904	$8,295,074	$2,185,236	$1,337,407	$3,963,922	$618,729	$61,584,276

*To Dec. 1, 1933.

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TABLE 9. CORPORATE LAND HOLDINGS IN IOWA, BY COUNTIES.

County	Date of securing data	Total acreage held by corporations	Corporate holdings as percentage of total acreage	Percentage of total acreage owned by different companies					
				Insurance companies	Banks including closed banks	Mortgage and investment companies	Joint stock land banks	Federal Land Bank, R.F.C.	Colleges and miscellaneous
Adair	5-16-33	33,331	9.34	5.00	1.60	1.30	.90	.44	.10
Adams	11-21-33	16,844	6.50	4.00	1.00	.40	.10	.90	.10
Allamakee	7- 3-33	26,586	7.20	1.10	3.00	.20	1.60	.80	.50
Appanoose	12-12-33	32,537	10.80	5.20	3.40	.40	1.00	.50	.30
Audubon	7-13-33	20,316	7.17	2.80	2.90	.53	.30	.44	.20
Benton	11-13-33	18,776	4.24	2.20	1.00	.69	.03	.30	.02
Blackhawk	11-17-33	21,434	6.30	2.90	1.70	.60	.30	.30	.50
Boone	11-27-33	22,692	6.55	1.30	1.81	2.60	.40	.17	.27
Bremer	4-21-33	8,048	3.04	1.70	.94	.20	—	.20	—
Buchanan	4- 1-33	39,875	11.40	7.60	2.10	.80	.50	.10	.30
Buena Vista	5-19-33	14,001	3.90	1.30	.40	.70	1.00	.20	.30
Butler	1-17-34	16,979	4.81	3.30	.44	.40	.30	.23	.14
Calhoun	12- 4-33	15,020	4.20	2.30	1.00	.20	.30	.20	.20
Carroll	5-16-33	4,977	1.40	.50	.80	.10	—	—	—
Cass	11-24-33	25,437	7.20	4.20	.70	1.20	.70	.30	.10
Cedar	12-20-33	18,163	5.15	2.30	2.20	.40	—	.02	.23
Cerro Gordo	1-19-34	49,984	14.50	9.30	1.00	2.50	.50	.80	.40
Cherokee	12- 6-33	21,598	6.14	2.90	1,20	1.00	.60	.30	.14
Chickasaw	10-20-33	30,311	10.03	5.00	1.40	1.60	1.20	.50	.33
Clarke	12-11-33	52,365	20.24	13.20	1.30	.94	3.50	.70	.60
Clay	12- 7-33	36,709	10.60	5.60	.90	1.00	2.10	.30	.70
Clayton	10-25-33	11,927	2.62	.40	1.30	.40	.40	.04	.08
Clinton	7- 7-33	32,105	7.80	2.70	3.40	1.00	.10	—	.60
Crawford	5-16-33	19,606	4.44	2.80	.90	.20	.20	.10	.24
Dallas	6-10-33	27,053	7.40	3.20	1.30	2.40	.20	.10	.20

TABLE 9. CORPORATE LAND HOLDINGS IN IOWA, BY COUNTIES.—Continued.

County	Date of securing data	Total acreage held by corporations	Corporate holdings as percentage of total acreage	Percentage of total acreage owned by different companies					
				Insurance companies	Banks including closed banks	Mortgage and investment companies	Joint stock land banks	Federal Land Bank, R.F.C.	Colleges and miscellaneous
Davis	4- 5-33	25,052	8.21	4.40	1.40	.40	.90	.90	.21
Decatur	12-12-33	82,780	26.00	15.80	2.30	1.80	3.50	1.80	.80
Delaware	4- 1-33	14,730	4.16	1.50	1.40	.34	.80	.02	.10
Des Moines	12-18-33	16,498	6.90	.60	3.50	.70	.90	—	1.20
Dickinson	12- 7-33	42,003	18.10	10.70	1.50	2.60	2.00	.20	1.10
Dubuque	11-15-33	9,549	2.60	.30	.80	—	.10	.20	1.20
Emmett	4-20-33	33,656	13.60	7.80	2.40	2.00	.70	.10	.60
Fayette	10-24-33	34,739	7.84	4.90	1.20	.80	.60	—	.34
Floyd	1-17-34	26,901	8.94	5.30	1.00	1.10	1.30	.20	.04
Franklin	1-18-34	23,100	6.44	5.10	.50	.42	.20	.10	.12
Fremont	11-22-33	19,699	6.53	3.60	1.20	1.20	.10	.23	.20
Greene	11-28-33	27,785	7.93	3.90	1.80	1.00	1.20	—	.03
Grundy	1-23-34	9,508	3.02	1.50	.60	.50	.30	—	.12
Guthrie	11-29-33	37,894	10.54	5.00	1.50	.90	2.10	.70	.34
Hamilton	1-11-34	36,421	10.00	5.60	1.70	2.20	.10	—	.40
Hancock	4-20-33	32,608	9.32	5.10	.92	1.90	.80	.20	.40
Hardin	1-12-34	30,985	8.80	4.90	1.60	.90	1.00	.10	.30
Harrison	11-25-33	33,397	7.72	3.90	1.90	1.12	.50	.20	.10
Henry	4- 6-33	10,120	3.80	1.00	1.10	.70	.60	.20	.20
Howard	7- 3-33	40,986	14.40	10.30	1.60	.80	1.10	.30	.30
Humboldt	12- 9-33	24,163	9.00	4.40	1.60	.90	1.60	.10	.40
Ida	12- 4-33	22,238	8.20	4.70	2.10	.90	.50	—	—
Iowa	7- 6-33	20,569	5.66	2.50	1.70	.43	.60	.20	.23
Jackson	11-15-33	13,818	3.60	.30	2.70	.20	.10	.10	.20
Jasper	12-23-33	30,980	6.93	3.10	.80	.90	1.50	.50	.13

TABLE 9. CORPORATE LAND HOLDINGS IN IOWA, BY COUNTIES.—Continued.

County	Date of securing data	Total acreage held by corporations	Corporate holdings as percentage of total acreage	Percentage of total acreage owned by different companies					
				Insurance companies	Banks including closed banks	Mortgage and investment companies	Joint stock land banks	Federal Land Bank, R.F.C.	Colleges and miscellaneous
Jefferson	12–15–33	23,101	8.90	2.60	2.40	.80	1.00	.90	1.20
Johnson	7– 6–33	20,106	5.42	2.70	2.00	.40	.20	.12	—
Jones	4– 1–33	14,294	4.10	.70	3.20	.10	.10	—	—
Keokuk	4– 6–33	20,564	5.84	2.20	1.90	1.20	.20	.14	.20
Kossuth	6–27–33	80,645	13.45	7.50	2.90	1.40	1.30	.13	.22
Lee	12– 6–33	18,268	6.32	1.70	.90	.92	.50	.20	2.10
Linn	11–14–33	24,187	5.80	2.50	1.30	1.00	.10	.20	.70
Louisa	12–16–33	30,679	13.43	2.60	6.00	3.00	1.10	.20	.53
Lucas	12–11–33	25,670	10.10	4.00	2.10	.80	1.90	.60	.70
Lyon	12– 6–33	30,621	8.40	4.80	.80	2.00	.40	.10	.30
Madison	6–10–33	38,224	11.00	4.80	3.10	.90	.80	.30	1.10
Mahaska	12–21–33	31,799	9.20	3.00	2.60	2.30	.90	.10	.30
Marion	4– 5–33	30,502	9.03	5.30	1.80	.83	.50	.20	.40
Marshall	4– 1–33	12,349	3.50	1.50	1.00	.40	.10	.30	.20
Mills	7–12–33	10,035	3.80	1.80	1.00	.70	.10	—	.20
Mitchell	1–16–34	23,808	8.42	5.50	.50	.72	1.10	.30	.30
Monona	5–17–33	43,051	10.62	3.70	1.90	1.40	2.10	.40	1.12
Monroe	7–10–33	23,048	9.10	4.10	1.90	1.20	.50	.40	1.00
Montgomery	7–11–33	10,821	4.10	2.20	1.00	.40	.30	.10	.10
Muscatine	7– 7–33	10,244	4.03	.70	1.50	1.60	.10	.03	.10
O'Brien	5–18–33	16,130	4.50	2.40	1.00	.50	.40	—	.20
Osceola	12– 7–33	28,067	11.30	7.50	1.50	1.00	.90	—	.40
Page	7–11–33	15,361	4.71	2.80	.70	.11	.20	.80	.10
Palo Alto	12– 8–33	61,557	17.72	10.50	1.50	2.40	1.50	.72	1.10
Plymouth	5–18–33	25,575	4.90	1.30	1.30	.70	.70	.10	.80

TABLE 9. CORPORATE LAND HOLDINGS IN IOWA, BY COUNTIES.—Continued.

County	Date of securing data	Total acreage held by corporations	Corporate holdings as percentage of total acreage	Percentage of total acreage owned by different companies					
				Insurance companies	Banks including closed banks	Mortgage and investment companies	Joint stock land banks	Federal Land Bank, R.F.C.	Colleges and miscellaneous
Pocahontas	12- 8-33	36,842	10.10	5.40	1.80	1.40	.70	.10	.70
Polk	6-23-33	21,285	6.40	2.30	1.20	1.80	.70	—	.40
Pottawattamie	7-12-33	24,352	4.15	1.20	1.30	1.20	.02	.10	.33
Poweshiek	12-23-33	40,638	11.22	5.00	2.10	1.60	2.00	.12	.40
Ringgold	7-11-33	54,016	16.40	8.90	3.30	.90	1.70	1.10	.50
Sac	5-19-33	10,969	3.23	1.70	1.00	.20	.20	.03	.10
Scott	12-19-33	9,538	3.50	1.00	.90	.30	.10	.20	1.00
Shelby	7-13-33	12,676	3.42	1.40	.92	.20	.10	.30	.50
Sioux	5-18-33	12,888	2.65	1.30	.32	.60	.03	.10	.30
Story	12- 1-33	35,363	10.00	5.20	2.60	1.00	.40	.30	.50
Tama	3- 3-33	21,317	4.90	3.30	.60	.30	.30	.10	.30
Taylor	11-22-33	40,830	12.40	7.30	1.20	2.30	.40	1.00	.20
Union	11-21-33	28,381	11.30	6.90	1,50	.90	1.20	.30	.50
Van Buren	12-15-33	34,459	12.00	3.90	1.30	1.30	4.50	.80	.20
Wapello	12-13-33	22,273	8.80	3.10	3.20	.80	.60	.70	.40
Warren	12-11-33	30,184	8.60	4.10	1.20	.60	1.50	.20	1.00
Washington	12-18-33	20,263	6.03	1.70	2.20	1.10	.70	.03	.30
Wayne	7-10-33	67,972	21.20	17.30	1.00	.60	1.50	.40	.40
Webster	5-19-33	34,846	8.00	2.50	1.70	2.40	.60	.20	.60
Winnebago	1-15-34	28,589	11.50	7.80	1.40	1.20	.90	.10	.10
Winneshiek	7- 3-33	8,161	1.90	.70	.60	—	.20	—	.40
Woodbury	1- 1-33	59,928	11.60	5.10	1.90	2.20	1.50	.10	.80
Worth	1-16-34	22,428	9.00	5.90	1.00	.90	.70	.30	.20
Wright	4-18-33	23,932	6.60	2.80	1.90	.70	.40	.40	.40
Total		2,687,689	7.90	3.90	1.60	1.00	.80	.20	.40

PROSPECTS FOR AGRICULTURAL RECOVERY

The following bulletins in the series "Prospects for Agricultural Recovery" have been issued recently by the Agricultural Economics Section of the Iowa Agricultural Experiment Station. They may be obtained free upon request to the Bulletin Office, Agricultural Annex, Iowa State College, Ames, Iowa. It is planned to issue more bulletins in this series within the next two months.

B310 I. The Economic Situation in 1933. By Geoffrey Shepherd. December, 1933.

B311 II. Refinancing Farm Mortgages in Iowa. By William G. Murray. December, 1933. (This bulletin is out of print.)

B312 III. Estimating Advantages of the Corn-Hog Plan to the Individual Farm. By John A. Hopkins, Jr. January, 1934.

B313 IV. National Economic Planning. By Geoffrey Shepherd. January, 1934.

B314 V. Is Our Farm Plant Too Large? By Theodore W. Schultz. March, 1934.

B315 VI. Farm Mortgage Policy. By William G. Murray. April, 1934.